

INFORMATION REPORT

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COUNTRY Germany (Russian Zone)

CONFIDENTIAL

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SUBJECT Industrial Shortages in the Russian Zone

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1. The greatest shortage of iron and steel products in the Eastern Zone exists in the following items:

Ball bearings, chains, special fittings, files, saw blades, injector pumps for diesel engines, carding needles (Kammadeln) and needles for the textile industry, tungsten wire for the electric light bulb industry, beechwood for rifle butts, driving mechanisms and mountings for rolling mills, borax and basic materials for the enamel industry, ships' motors, fine steel bars (under 12 mm.), industrial diamonds for wire mills.

2. Rolled wire is of vital importance because of its use in the production of screws, nails, tacks, needles, etc. The shortage has already become critical. Fa. Archimedes, Chemnitz, the largest screw factory in the Soviet Zone, is now only working one shift instead of three. On 22 November 1948, it was announced that further cuts would be necessary as a result of the shortage of raw materials.

3. The reparations shipbuilding program is endangered because of a lack of engines

4. The whole electric light bulb industry is dependent on an adequate supply of tungsten wire.

5. The supply of carding and weaving needles is vital to the textile industry. It is very difficult to obtain these at the moment.

6. The SMA is particularly concerned over the supply of industrial diamonds for fine wire drawing equipment. The fulfillment of the highest priority SMA contract No. 1 (delivery of fine wire mesh - 10,000 loops (Maschen) per square centimeter) is dependent on this. Any drop in this production is ruthlessly investigated by the SMA, and all possible means are used to make up the loss. Comments: It is believed that this is for the production of radar equipment.)

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CENTRAL INTELLIGENCE AGENCY

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7. There is no longer any appreciable difficulty over coal supplies. Foundries which had to cease production are again in action after receiving Czech coke and Polish hard-coal originally destined for various other concerns.
8. A plan covering goods in short supply has been drawn up in two parts: raw materials and finished products. This plan aims at a three-stage development to improve the situation:
 - a. Immediate emergency measures,
 - b. Planning for 1949,
 - c. Planning for 1950 - 1951.
9. In addition to the immediate emergency measures, each main administration of the DWK has now acquired an "Export Trade" department. The task of these departments is to arrange imports of bottleneck materials and products by illegal channels.

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